

MEMORANDUM OF LAW

DATE: January 10, 1994

TO: Charles Mazur, Sergeant, Lifeguard Services

FROM: City Attorney

SUBJECT: Junior Lifeguard Logo - Potential Trademark
Infringement

INQUIRY

You sent background material and a request for research concerning the logo used by the City's Junior Lifeguard Service ("Service") and stated that the Service has been using a computer-generated logo for the past three years. The logo was originally developed by a lifeguard, modified by a graphics artist hired by the Service, and later modified by City graphics specialists. The logo has been printed on Service t-shirts by three separate vendors who have been given copies of the artwork, solely in order to produce the shirts. You also stated that the Service is interested in registering the logo as your trademark.

Apparently, a nearly identical logo is being used by Peter Grimm Ltd. ("P.G.") in the sale of straw hats touted as "Authentic California Lifeguard Hats." You said that you are concerned that P.G. has registered the logo, and as a result, the Service may no longer be able to use it. You have not spoken with P.G. representatives about the logo, but you could ask representatives of the business or you could do a trademark search to know for certain if the logo has been registered. We will be glad to assist you should you decide to proceed with a search.

DISCUSSION

A. TRADEMARKS GENERALLY

Trademark is defined by the California Business and Professions Code ("B & P") section 14207 as ". . . any word, name, symbol, or device or any combination thereof adopted and used by a person to identify goods made or sold by him and to distinguish them from goods made or sold by others."

A service mark is essentially a trademark that is used in the sale of services instead of goods and is defined in B & P section 14206 as ". . . a mark used in sale or advertising of

services to identify the services of one person and distinguish them from the services of others."

Trademarks may be registered with the Secretary of State by complying with the requirements of B & P section 14230 which include: 1) name and address of applicant; 2) goods or services with which mark is to be used; 3) date when mark was first used anywhere and date first used by applicant; and 4) statement that applicant is owner of the mark and no other person has the right to use such mark. B & P section 14242 states: "Registration of a mark with the Secretary of State . . . shall be constructive notice of the registrant's claim of ownership thereof."

California courts have addressed the purpose of trademark registration in the case of Ward-Chandler Bldg. Co. v. Caldwell, 8 Cal. App. 2d 375, 377 (1935): "The recording provided for by this statute is only the means by which evidence that a trademark has been appropriated may be preserved." Unauthorized use of a trademark is prohibited and B & P section 14320 provides remedies, mainly injunctive relief, for use of a registered mark by any person without the consent of the registrant.

1. Commercial Use. The United States Supreme Court has held that a trademark is protected only in commercial use:

there is no such thing as property
in a trademark except as a right
appurtenant to an established
business or trade in connection with
which the mark is employed. The law
of trademarks is but a part of the
broader law of unfair competition;
the right to a particular mark grew
out of its use, not its mere
adoption; its function is simply to
designate the goods as the product of
a particular trader and to
protect his good will against the
sale of another's product as his;
and it is not the subject of property
except in connection with an existing
business.

United Drug Co. v. Rectanus Co., 248 U.S. 90, 97
(1918).

B & P section 14207 refers to a mark used to identify goods made or sold, and California courts have held that the purpose of a trademark is to create and preserve a favorable reputation for a product, to stimulate its sale, and to distinguish it from competing goods. Sun-Maid Raisin Growers v. Mosesian, 84 Cal.

App. 485 (1927).

It is our understanding that the Service did not manufacture the shirts on which this logo was printed, the logo was not used as identification of the shirts' manufacturer, nor were the shirts with the logo sold. Therefore, it is not clear whether the Service could protect its current non-commercial use of the logo by registering it as a trademark.

2. First Use. Common law (commonly followed law rather than statutory law) has continually held that a first use of a service mark or trademark shall be protected against registration by a future user. B & P section 14210 states: "Nothing in this chapter shall adversely affect the rights or the enforcement of rights in marks acquired in good faith at any time at common law." Further, section 14342 prohibits enforcement of service mark or trademark registration

against any party who has adopted and law-fully used the same or a confusingly similar service mark in the rendition of like services or trademark in the manufacture or sale of like goods in the State of California from a date prior to the effective date of registration of the service mark or trademark under this chapter.

However, the so-called "first use" protection applies only to commercial use (manufacture or sale of goods) of a trademark.

B. USE OF LOGO BY SERVICE

If the logo has been registered by anyone else, may the Service continue to use the logo? The word "use" as it is specially defined in B & P section 14209 does not include the use of a trademark when no sales are involved:

For the purposes of this chapter, a trade-mark shall be deemed to be "used" in this state (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and such goods are sold or otherwise distributed in the state, and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in this state.

B & P section 14320 lists actionable conduct and allows injunctive relief if a registered mark is used without consent of the registrant. The grounds for injunctive relief for non-permissive use of a registered trademark per B & P section 14330 include:

likelihood of injury to business reputation or of dilution of the distinctive quality of a mark registered under this chapter, or a mark valid at common law, or trade name valid at common law, shall be a ground for injunctive relief notwithstanding the absence of competition between the parties or the absence of confusion as to the source of goods or services.

B & P section 14335 addresses injunctions against "any person who uses or unlawfully infringes upon a mark registered under this chapter or under Title 15 of the United States Code, other than in an otherwise noninfringing manner . . . for the purpose of enhancing the commercial value of, or selling or soliciting purchases of, products, merchandise, goods, or services." *Emphasis added.* If the Service's "use" of the logo does not meet the statutory definition, then it would most likely be a noninfringing use and no relief will be available to the registrant.

The Service's use probably would not injure another commercially, but would be more likely to enhance the commercial value of another's product if the public connected the product with the actual lifeguard service. Therefore, since the Service's use of the logo is neither commercial nor competitive, no injunctive relief should be granted to a registrant. If the logo has not been registered, the City may continue its present non-commercial use. However, a commercial use by the City, such as sale at the City Store, could trigger a trademark infringement and unfair competition action.

CONCLUSION

If the Service continues its non-commercial use of the logo, registration is not necessary. However, if commercial use is anticipated, registration should be considered. The California Business and Professions Code provides guidance for trademark registration. We would be glad to assist you in this endeavor, in conjunction with the City's entrepreneurial program.

Please let us know if this answers your concerns. We will be glad to work further with you if necessary.

JOHN W. WITT, City Attorney

By

Mary Kay Jackson

Deputy City Attorney

MKJ:mb:263(x043.2)

cc Marcia McLatchy, Park & Recreation Director

Cristie C. McGuire, Deputy City Attorney

Carolyn Wormser, Special Events Coordinator

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